IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

ARLIN M. ADAMS, Chapter 11 Trustee of the Post-Confirmation Bankruptcy Estates of CORAM HEALTHCARE CORPORATION and CORAM, INC.,

Case No. 04-1565-SLR

Plaintiff,

v.

DANIEL D. CROWLEY; DONALD J. AMARAL; WILLIAM J. CASEY; L. PETER SMITH; AND SANDRA L. SMOLEY,

Defendants.

JOINT STATUS REPORT CONCERNING THE PROGRESS OF MEDIATION

Pursuant to the Court's request of January 25, 2006, the parties provide the following joint status report concerning the progress of mediation in this matter.

On December 5 and 6, 2005, the parties to the action before this Court and the directors and officers insurance company that has brought a declaratory judgment action against the defendants in the District of Colorado conducted formal mediation sessions. Although the mediation sessions did not produce a resolution of this matter, the parties have continued their efforts to resolve this matter with the help of the mediator.

The parties wish to continue to work to resolve this matter without further judicial intervention. The parties respectfully request that the stay the Court entered August 15, 2005 remain in place pending the conclusion of their efforts to mediate and respectfully suggest that

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the parties report back to the Court no later than March 1, 2006 concerning the status of their efforts.

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Dated: January 30, 2006